UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Adjustment Administration
Alfred D. Stedman, Assistant Administrator
Director, Division of Information and Records
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TO FARM JOURNAL EDITORS:

The following information is for your use.

DeWitt C. Wing and Francis A. Flood,
Specialists in Information.

SECRETARY WALLACE'S MESSAGE TO CONSUMERS

Secretary of Agriculture, Henry A. Wallace, in a statement published in the Consumers' Guide (issued twice a month by the Consumers' Counsel of the Agricultural Adjustment Administration), says:

"I have two principal concerns growing out of the drought of 1934. The first is that it must not be used as an argument for gouging consumers. The second is that it must not deceive farmers about the necessity for continuous and continual adjustment of supply to demand.

"There is no reason why consumers should feel any apprehension about food supplies, and there is no reason why any retail prices should reach exorbitant levels. Despite the severity of the drought, food supplies of the country as a whole are ample. There is no shortage at all for two-thirds of the products, and the prospective shortage does not exceed 5 to 10 percent for most of the remaining items. Even these shortages will not be felt if there is an efficient, equitable distribution of supplies the country over.

"It would be disastrous for farmers to view the drought as the solution, however, drastic and inequitable, to their adjustment problems. Drought has merely hastened the removal of certain surpluses; the problem of adjustment remains. We cannot afford to forget the existence, through drought or rain, of those 50 million acres which once produced for export."

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LOOKING TOWARD A SOUND, BALANCED AGRICULTURE

In concluding an address before members of the American Association of Agricultural College Editors in St. Paul, Minn., in July, Alfred D. Stedman, Assistant Administrator of the Agricultural Adjustment Act, said:

"By insuring farmers a continuous income during drought, by sustaining industry and business despite reverse, and by encouraging continuous production, the Adjustment program has demonstrated its value during drought.

"But drought should not deceive us merely because it temporarily reduces surpluses. Weather conditions tend to average themselves out. The creation of the large surpluses was due to known factors--transition from debtor to creditor nation, loss of foreign markets for exports, use of motors instead of horses and mules, and the loss of the market that draft animals once provided for grain. Not one of these factors is removed by drought. All of them still are present. Of course, farmers always want to produce up to the best potentialities of their market, and when drought cuts supply, more acreage temporarily can be planted. But to be deceived by drought into discarding all controls might, after a year or two of good crops, bring back the very emergency that we have temporarily alleviated. The enduring objective should be to avoid the devastating upward and downward swings of production which have injured farmers, and to bring a gradually expanding production that will provide for the greater needs of a richer society.

"The controls should be maintained, with greater and greater emphasis as time goes on, upon the economic use of land, proper rotations, protection from erosion, long-time conservation of the priceless resources of soil fertility, and the government acquisition and permanent retirement of submarginal lands from crop production."

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FORAGE ON CONTRACTED WHEAT LAND IN 1935

The Agricultural Adjustment Administration has moved toward maintaining the Nation's livestock feed and forage supplies for the coming year by continuing encouragement to cooperating wheat farmers to use their contracted acreage for the production of forage crops in 1935. Much of this land -- approximately 7,500,000 acres -- went into drought-resistent forage crops this year as a result of the Adjustment Administration program.

The decision supplements the recent announcement authorizing an increase in 1935 wheat plantings of cooperating wheat farmers up to 90 per cent of the three-year base acreage of the wheat program. The 1935 wheat program is expected to produce, under average growing conditions and allowing for normal abandonment, approximately 775,000,000 bushels of wheat for harvest in 1935.

By continuing encouragement to plant contracted acreage to forage crops, administration officials expect to furnish that much additional insurance against livestock feed shortages if there is a drought next year, and to provide a reserve if weather conditions are favorable.

Combined with the wheat expansion announcement, this action means for cooperating wheat farmers that one-third of the land which they did not plant in wheat in 1934, under the terms of their contracts, may be planted back in wheat for 1935, and that the other two-thirds may again be used for growing livestock feed.

The regulations governing the planting of forage crops on contracted acreage were announced in an administrative ruling prepared by officials of the wheat and replacement crops sections, and approved by Secretary Wallace and Administrator Chester C. Davis. The ruling, which virtually completes the outline for the 1935 wheat program, is the first announcement of the administration's policy in handling land held out of basic crop production this year. Specifically, this ruling (Wheat Administrative Ruling No. 40) provides that contracted acreage:

1. May be seeded to any grass or legume such as timothy, alfalfa, lespedeza, clover, etc., and these grass crops may be used for hay, pasture or seed production.

2. May be planted to emergency forage crops such as millet, soybeans, barley, oats, etc., when such crops are used only for hay, pasture, or roughage, and are not grown for seed or allowed to reach maturity.

3. May be summer fallowed, planted to forest trees or left unplanted, if such action will not cause serious damage from soil erosion and provided that noxious weeds are controlled.

4. May not be used for planting of the basic commodities listed under the Agricultural Adjustment Act. These are: wheat, corn, barley, grain sorghums, flax, rye, cotton, tobacco, rice, sugar beets, sugar cane and peanuts. Neither may this acreage be used for the production for sale of any special crops such as truck crops, potatoes, or small fruits. Small grains, however, may be used as a nurse of companion crop, provided that they are pastured or harvested before maturity.

5. Must be average land ordinarily seeded to wheat on the farm.

Announcement of the use that may be made of contracted acreage removes one of the chief questions which have been facing farmers, especially in the winter wheat belt, where farmers are now planting for next year's crop.

The wheat contract provides for adjustment payments on the 1933, 1934 and 1935 crops. The payments for each year are divided in two instalments. The first instalment on the 1933 crop has now been paid and totals approximately $68,000,000. The second instalment, which will total approximately $30,000,000, is now being paid to farmers as certificates of compliance showing that farmers produced the 1934 crop in agreement with their contracts, are audited in Washington.

The payments on the 1934 crop have been set at 29 cents a bushel, with 20 cents a bushel on each farmer's allotment to be paid in the first instalment and the remainder next season after compliance has been checked. The first 1934 payment will be made after the second 1933 payment is completed. Adjustment payments come from the 30 cents a bushel processing tax on the milling of wheat for domestic consumption.

The approximately 580,000 farmers cooperating in the wheat program are organized in 1,347 wheat production control associations. These associations, through which the wheat program will continue to be administered in the local communities, are functioning in 1,758 counties participating in the program. The local costs of the program are being paid for by the farmers in each county. These expenses, which were advanced by the Adjustment Administration, have been deducted from the farmers' second adjustment payment on the 1933 crop. These expenses vary from a fraction of a cent a bushel on each farmer's allotment in the heavy wheat producing regions to several cents a bushel in areas where production is light or where the sign-up in the campaign was small. Election meetings to choose officers for the local wheat associations have been held in all associations this summer.

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DROUGHT CATTLE PURCHASES NOW EXCEED 5,000,000 HEAD

A total of 5,164,954 cattle had been purchased on the ranges of 21 drought-stricken western states up to September 12, under the Agricultural Adjustment Administration's cattle purchase program, it was announced September 13.

Cattle purchase payments and benefit payments totaling $48,328,695 and covering 3,569,055 drought cattle purchased, were certified to the close of business, September 11. These payments went to 278,577 farmers in 21 states. Purchase payments total $30,658,272 and benefit payments $17,670,423. The average price per head represented by the total payment is $13.54.

Cattle purchase figures by states are: Arizona, 58,432 head; Arkansas, 56,560; California, 16,464; Colorado, 153,833; Idaho, 21,277; Iowa, 11,033; Kansas, 257,472; Minnesota, 192,035; Missouri, 308,161; Montana, 263,442; Nebraska, 245,341; Nevada, 15,364; New Mexico, 319,443; North Dakota, 912,640; Oklahoma, 137,638; Oregon, 5,630; South Dakota, 686,564; Texas, 1,221,615; Utah, 81,626; Wisconsin, 44,112; Wyoming, 156,299.

All animals purchased by the Adjustment Administration under the drought cattle purchase program are turned over to the Federal Emergency Relief Administration for relief purposes. The animals are slaughtered and the meat is canned for relief use. Some animals are sent to grazing areas to await processing.

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WIDESPREAD UNDERCONSUMPTION OF MILK

Widespread underconsumption of milk was revealed in a preliminary report submitted last week by Fred C. Howe, Consumers' Counsel of the Agricultural Adjustment Administration to representatives of twelve leading national women's organizations.

The report covered the largest survey of its kind ever undertaken. Conducted in 59 cities in 46 states, the survey collected data from 29,485 families, including 160,010 persons. Of this number, 78,987 were children and 81,032 adults.

The survey was initiated last April by a committee of women from 12 women's organizations, whose representatives recently met with Dr. Howe. This committee, concerned over the fact that large numbers of children were suffering from malnutrition, requested Secretary Wallace to have the survey undertaken under the direction of the consumers' counsel of the Adjustment Administration. Carried on in 59 cities by clubwomen, the survey was limited to families with children in school and with incomes ranging from average to very low. The information obtained was gathered through questionnaires distributed in schools selected as typical for the purposes of the survey by local committees.

The preliminary report made to the committee today deals with milk purchases by the families surveyed. The average family which answered questionnaires in the survey, consisted of 5.44 members, including 2.69 children, and has an average income of $21.29 a week. Of the total 29,485 families included in the survey, more than 14 per cent reported that they bought no fresh milk at all. Average purchases of fresh milk by all of these families amounted to less than .6 of a pint per capita daily.

The average family of 5.44 persons in the survey purchased 1.37 quarts of fresh milk a day or 501.16 quarts a year. Its daily per capita purchases of fresh milk amounted to .52 of a pint.

Another fact brought out is the high average amount of evaporated milk purchased by the 29,485 families included in the survey. This consumption of evaporated milk is in striking contrast to the low average amount of fresh milk which they buy. The average purchases of evaporated milk amounts to more than 18 pounds a year per capita. The national average per capita consumption of evaporated milk, however, which average includes uses in restaurants, bakeries and other commercial establishments has fallen from 15 to 12 pounds a year.

The survey showed that purchases of evaporated milk by the average family of average to low incomes amounted to 1.96 large cans and .61 of a small can per week. On the basis of weight these purchases amounted to 104.28 pounds a year, or 18.45 pounds per capita.

The average per capita purchases including both fresh milk and evaporated milk are found to be very low when compared with the milk quantities specified by the typical diets prepared by the Bureau of Home Economics of the Department of Agriculture.

These diets, worked out with regard to nutritional needs of the individual, specify the quantities and kinds of food required at four levels of cost and nutrition.

The kinds of food and quantities required by the "liberal diet" provide better than average nutrition. At the next lower level is an "adequate diet at moderate cost", which diet is safe from the standpoint of health. Each of these diets suggest 305 quarts of milk a year per person. This approximately represents the ideal standard of one quart per day for each child and one pint per day for each adult.

The third diet is an "adequate diet at minimum cost" which from the standpoint of health furnishes a margin of safety. This diet suggests 260 quarts of milk a year per person, which is a little under 1½ pints a day.

At the lowest point in the nutrition scale is the "restricted diet". This diet is so low in nutritive content that it would be unsafe to go below its level or to attempt to subsist on it for more than a limited period. This restricted diet suggests 155 quarts a year per person, which is a little more than .8 of a pint per day.

By comparing these four dietary standards as related to health with the purchases of the 29,485 families in the survey, it may be seen how inadequate the consumption of milk is by these economic groups. Thus, the average per capita purchases of fresh milk and evaporated milk combined are more than 27 per cent below the quantity of milk specified by the restricted diet. The yearly per capita purchases of fresh and evaporated milk combined amount to 111.1 quarts as compared with the 155 quarts a year per person suggested by the restricted or lowest diet.

When the average milk purchases are compared with the diets at higher level, the inadequacy of the consumption is much more evident, being 57 per cent below the milk quantities specified by the adequate diet at minimum cost, and nearly 64 per cent below the milk quantities specified by the adequate diet at moderate cost and the liberal diet.

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TULSA, OKLA., MILK LICENSES AMENDED

An amendment to the existing license for the Tulsa, Okla., Milk Sales Area, designed to adjust terms of the license to meet unusual and

emergency conditions in the normal supply of Class I and Class II milk, has been signed by Secretary Wallace. It will go into effect September 16.

A new section is added to the license by the amendment, which provides that during any emergency period when normal milk supplies from producers is not sufficient for Class I and Class II requirements, any distributor upon application to the Market Administrator may buy milk for emergency use in Class I and Class II sales on terms and conditions other than those defined in the license. However, the prices paid for such emergency milk must not be less than the equivalent of the prices established in the license. Such milk may not be included in the general equalization pool, but must be reported separately to the Market Administrator, with the amounts and prices paid for same.

In the case of producer-distributors, the amendment permits the disposal of what reserve supplies they may have on hand to other distributors at more than the Class III price specified in the license for such sales. The amendment covers only the emergency period and does not change any of the standard provisions of the license.

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HEARING ON HATCHERY CODE AMENDMENTS

A public hearing on proposed amendments to the commercial and breeder hatchery industry code will be held at the Mayflower Hotel, Washington, D. C., September 19, the Agricultural Adjustment Administration has announced.

The proposed amendments include provisions for labeling containers for hatchery products, notifications to customers concerning shipping dates, substitution of chicks, restricted settings, and auction sales regulations. The amendments include a provision under which the members of the coordinating committee would be elected by the members of the industry instead of selected by the trade organizations. Other provisions of the proposed amendments seek to clarify stipulations of the code concerning unfair trade practices including false advertising.

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EMPLOYMENT ON FARMS SEPTEMBER 1

It was recently announced by the Bureau of Agricultural Economics that, on the basis of data obtained by the Crop Reporting Board, employment on farms of crop reporters was but little different on September 1 from what it was a month earlier. Crop correspondents reported an average of 224 family workers (operators and unpaid workers) per 100 farms, employed on September 1, as compared with 226 a month earlier. Eighty-eight hirde hands were reported as working on each 100 farms on the first of this month, or 1 hand more than on August 1.

Figures in the following table show, with comparisons, the estimated number of persons employed per 100 farms on farms of crop reporters, as based on reports from 20,169 farmers:

Month-Year	United States	New England	Middle Atlantic	East North Central	West North Central	South Atlantic	East South Central	West South Central	Mountain	Pacific
				Family Labor						
July 1, 1933	237	166	183	185	188	297	390	282	203	186
July 1, 1934	237	174	182	179	187	321	396	268	198	197
Aug. 1, 1934	226	169	182	172	181	300	368	249	198	179
Sept.1, 1934	224	159	176	173	175	298	366	249	214	173
				Hired Labor						
July 1, 1933	101	150	98	66	61	151	122	80	94	269
July 1, 1934	102	134	91	66	55	179	130	69	83	276
Aug. 1, 1934	87	135	85	53	47	147	97	55	87	268
Sept.1, 1934	88	120	83	52	47	153	102	68	98	226
				Family and Hired Labor Combined						
July 1, 1933	338	316	281	251	249	448	512	362	297	455
July 1, 1934	339	308	273	245	242	500	526	337	281	473
Aug. 1, 1934	313	304	267	225	228	447	465	304	285	447
Sept.1, 1934	312	279	259	225	222	451	468	317	312	399

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"WHAT DOES PRE-WAR PARITY MEAN?"

"What does pre-war parity mean?" This question is frequently put to farm journal editors by their subscribers. The following statement, from a revised circular, issued by the Agricultural Adjustment Administration, will be helpful to those to whom the question is submitted:

"It was the policy of Congress to restore the pre-war parity of agricultural purchasing power. Such a restoration means that farmers will again be as good customers for city goods and services as they were in 1909-1914.

"It does not necessarily mean that prices, in dollars, of farm products will be the same as they were before the war, but it means that farmers selling the same volume of farm goods will be able to buy, with their returns, the same volume of manufactured goods that they were able to buy in 1909-1914.

"Farmers, because of the low prices of farm goods, have been put at a disadvantage, and this disadvantage has adversely affected the economic situation of the entire Nation as well as that of the farmers themselves. The policy of Congress in passing the Agricultural Adjustment Act was to remedy this situation.

"In dealing with individual commodities except tobacco, the base period to which purchasing value of the commodity is to be adjusted is the same period, 1909-1914, to which the general purchasing power of American agriculture is to be adjusted according to the policy of Congress. For tobacco the base period is the post-war years 1919-1928. This variation is caused by the fact that tobacco-consuming habits of the entire world have changed since the war, and pre-war comditions no longer accurately represent the present condition of the tobacco industry.

"The Act declares also that it is the policy of Congress to restore the agricultural purchasing power by gradually correcting the present inequalities as rapidly as is feasible in view of consumptive demand in domestic and foreign markets.

"One important function of the Adjustment Administration is to increase the export sales of surplus agricultural products wherever that can be done without putting undue pressure on world markets. Efforts to explore and open new export outlets for surpluses of American farm products were among the first enterprises of the Agricultural Adjustment Administration

"At the same time that farm prices are being increased the interests of the consumer are safeguarded under the Adjustment Act.

"The power to increase farm returns must be limited, if undue burdens on consumers are to be avoided and agricultural stability maintained. The Act embodies several provisions for the protection of consumers--the parity price maximum, the limitation on the proportion of the consumers' dollar returned to farmers, and the direction that processing taxes, even with the parity limits, shall not be such as to unduly depress consumption."

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